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September 1, 2022

VIA ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: New Docket No. _____
Petition of Peoples Gas System for Approval of 2021 True-Up, the Projected 2022 True-Up and 2023 Revenue Requirements and Surcharges Associated with Cast Iron/Bare Steel Replacement Rider

Dear Mr. Teitzman:

Attached for filing is Peoples Gas System's Petition for Approval of 2021 True-Up, the Projected 2022 True-Up and 2023 Revenue Requirements and Surcharges Associated with Cast Iron/Bare Steel Replacement Rider.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Jeff Wahlen'.

Jeff Wahlen

JJW/ne
Attachment

cc: Richard Gentry, Office of Public Counsel (w/ att.)
Charles Rehwinkel, Office of Public Counsel (w/ att.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of 2021 True-up,)
the Projected 2022 true-up and 2023)
Revenue Requirements and Surcharges)
associated with Cast Iron / Bare Steel)
Replacement Rider, by Peoples Gas)
System.)
_____)

Docket No. _____

Submitted for Filing:
September 1, 2022

**PETITION OF PEOPLES GAS SYSTEM FOR APPROVAL OF 2021 TRUE-UP,
THE PROJECTED 2022 TRUE-UP AND 2023 REVENUE REQUIREMENTS
AND SURCHARGES ASSOCIATED WITH CAST IRON/BARE STEEL
REPLACEMENT RIDER**

Peoples Gas System (“Peoples” or the “Company”), by its undersigned counsel, petitions the Commission for approval of (i) the 2021 true-up amount, (ii) the projected true-up amount for 2022, (iii) the Revenue Requirements to be recovered by the Company during the period January through December 2023, and (iv) the Surcharges to be collected from customers for such recovery, all as provided by the Company’s Cast Iron/Bare Steel Replacement Rider (Rider CI/BSR), and in support of this petition states:

1. The name of the petitioner and the mailing address of its principal office are:

Peoples Gas System
P.O. Box 2562
Tampa, Florida 33601-2562

2. The names and mailing address of the persons authorized to receive notices and communications with respect to this petition are:

Jeff Wahlen
jwahlen@ausley.com
Malcolm N. Means
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123 S. Calhoun St.
Tallahassee, FL 32301-1517

Ms. Paula K. Brown
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Peoples Gas System
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Nora M. Bordine
Director, Regulatory Affairs
Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

Matthew E. Elliott
Manager, Regulatory Affairs
Peoples Gas System
P.O. Box 2562
Tampa, FL 33601-2562

3. The Commission has jurisdiction to entertain this petition pursuant to Sections 366.04(1), 366.05(1) and 366.06, *Florida Statutes*.

4. Peoples is a natural gas local distribution company providing sales and transportation delivery of natural gas throughout most of the State of Florida and is a natural gas public utility subject to the Commission's statutory jurisdiction to establish rates and charges under Section 366.06.

BACKGROUND

5. By its Order No. PSC-12-0476-TRF-GU, issued on September 18, 2012, in Docket No. 20110320-GU, the Commission approved Peoples' Rider CI/BSR, together with projected Revenue Requirements contemplated by the rider for recovery during 2013 and Surcharges through which to recover the projected Revenue Requirements. Additionally, it was contemplated that the replaced infrastructure would continue to be recovered through the Rider CI/BSR and would be rolled into Peoples' overall rate base and the surcharge would be "reset to zero" in a future rate proceeding.

6. Peoples' petition for approval of Rider CI/BSR contemplated annual capital expenditures of approximately \$8 million for the replacement of bare steel and cast iron infrastructure but made clear that annual amount was only an estimate, and that the actual expenditures could be more or less than the estimate during any year in which the program is in effect. In Peoples' 2008 rate case, the Commission approved \$1 million in rate base for the 2009 projected test year for replacement of aging infrastructure. As such, in continuing with its

commitment to spend \$1 million annually for replacement activities, Peoples excludes the first \$1 million of its annual capital expenditures for replacement activities and those dollars will be included in rate base in a future rate case.

7. The rider, and the Commission's order approving it, contemplates the filing by Peoples in September of each year of a petition to establish revised Surcharges to be effective the following calendar year (in the case of this petition, calendar year 2023). The petitions are to contain an actual/estimated true-up showing seven months of actual and five months of projected costs and revenues for the calendar year in which the petition is filed, and a projection showing 12 months of projected rider Revenue Requirements for the 12-month period beginning January 1 following the filing of the petition. The order also requires a final true-up showing the actual replacement costs and actual Surcharge revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing, including the final over- or under-recovery for the final true-up period.

8. By its Order No. PSC-17-0066-AS-GU, issued February 28, 2017, in Docket No. 20160159-GU, the Commission approved a Settlement Agreement between Peoples and the Office of Public Counsel ("OPC") that allows for cost recovery through Rider CI/BSR associated with Peoples' replacement of Problematic Plastic Pipe ("PPP") beginning in 2017 and continuing through 2028.

9. On August 8, 2018, Peoples, OPC, and the Florida Industrial Power Users Group, ("FIPUG") (collectively referred to as the "Parties") filed in Docket No. 20180044-GU a joint motion for Commission approval of a Settlement Agreement addressing certain impacts of the Tax Cuts and Jobs Act of 2017 ("TCJA") on Peoples. In the Settlement Agreement, the Parties agreed to a reduction of Peoples' 2019 depreciation expense of approximately \$10.3 million resulting

from extending the lives of certain main and service assets. The resulting revised rates reduced the depreciation expense collected through the Rider CI/BSR. Additionally, the federal income tax expense reflected in the calculations contemplated by the rider were affected by the TCJA's reduction in the federal income tax rate.

10. By its Order No. PSC-2020-0485-FOF-GU, issued December 10, 2020, in Docket No. 20200051-GU, the Commission approved a Settlement Agreement between Peoples, OPC, and FIPUG that moved \$23.6 million of the 2021 Rider CI/BSR revenue requirement related to Peoples' Rider CI/BSR investments made through December 31, 2020 (\$200.7 million) from recovery through the Rider CI/BSR Surcharges, to recovery through base rates, effective January 1, 2021. The Settlement Agreement also required Peoples to record the difference between the actual December 31, 2020 Rider CI/BSR net book value and the \$200.7 million referred to above as an adjustment to the January 1, 2021 Rider CI/BSR net book value.

11. This petition is the filing contemplated by the rider and the Commission's order approving it. By Order No. PSC-2021-0429-TRF-GU, issued November 19, 2021, in Docket No. 20210148-GU, the Commission approved the true-up for calendar year 2020, the estimated true-up for calendar year 2021, and the Revenue Requirements and Surcharges for calendar year 2022.

RELIEF REQUESTED

12. Peoples seeks the Commission's approval of the final true-up amount for the calendar year 2021 of \$563,794 under-recovery (including interest). The calculation of this amount is contained in Exhibit A attached to this petition.

13. Peoples also seeks approval of the projected true-up for calendar year 2022, as shown in Exhibit B to this petition, and has re-projected that its actual expenditures for eligible replacements under Rider CI/BSR during 2022 will be \$25,983,941. This re-projected total does

not include the first \$1 million in such expenditures. Exhibit B, Page 3 of 5, reflects on line 10 an “End of Period Total True-up” of \$721,168 under-recovery, derived as the addition of the remaining 2021 under-recovery of \$218,924, the 2022 under-recovery of \$249,165 and an adjustment of (\$253,079). The adjustment represents the recovery of state tax rate changes, as approved by the Commission in Order No. PSC-2022-0134-PAA-GU, issued April 11, 2022, in Docket No. 20220018-GU. Additionally, “Calculation of Revenue Requirement Rate of Return” schedules have been included to reflect any changes.

14. Exhibit C includes projected capital expenditures for the replacement of cast iron/bare steel infrastructure and PPP during calendar year 2023 and Exhibit D contains revised Surcharges to be collected from customers commencing with bills rendered for meter readings taken on and after January 1, 2023. The estimated total true-up for 2022, an under-recovery of \$721,168 increases the total amount to be collected through the revised Surcharges during 2023. Projected capital expenditures for replacements during 2023 are \$24,817,804, (not including the first \$1 million of such expenditures).

15. Twelfth Revised Sheet No. 7.806 to Peoples’ Natural Gas Tariff, Original Volume No. 3, setting forth the revised surcharges, accompanies the filing of this petition.

WHEREFORE, Peoples respectfully requests that the Commission enter its order:

- A. approving the final true-up for calendar year 2021, the calculation of which is contained in Exhibit A;
- B. approving the projected Revenue Requirements for 2023 (as calculated in Exhibit C, and as adjusted by the projected true-up for 2022 calculated in Exhibit B); and
- C. approving Peoples’ billing of the recovery Surcharges for 2023 set forth in Exhibit D to this petition commencing with bills rendered for meter readings taken on and

January 1, 2023.

DATED this 1st day of September, 2022.

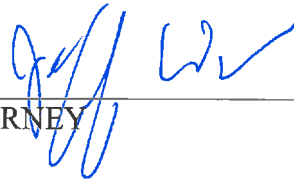
Respectfully submitted,



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(850) 224-9115
Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing petition has been furnished by electronic mail this 1st day of September 2022, to Office of Public Counsel, Richard Gentry (gentry.richard@leg.state.fl.us)/Charles Rehwinkel (rehwinkel.charles@leg.state.fl.us), c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399-1400.



ATTORNEY

PEOPLES GAS SYSTEM

***Tariff Sheet 7.806
Clean and Legislative***

**CAST IRON/BARE STEEL REPLACEMENT RIDER
RIDER CI/BSR**

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, 2023, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator / Residential Gas Heat Pump Service	\$ 0.03111 per therm
Small General Service	\$ 0.01816 per therm
General Service – 1/ Commercial Standby Generator Service / Commercial Gas Heat Pump Service	\$ 0.01236 per therm
General Service – 2	\$ 0.01183 per therm
General Service – 3	\$ 0.01171 per therm
General Service – 4	\$ 0.01166 per therm
General Service – 5	\$ 0.00503 per therm
Commercial Street Lighting	\$ 0.01033 per therm
Wholesale	\$ 0.00499 per therm
Small Interruptible Service	\$ 0.00574 per therm
Interruptible Service	\$ 0.00125 per therm
Interruptible Service – Large Volume	\$ 0.00000 per therm

The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

Definitions

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

“CI/BSR Revenues” means the revenues produced through CI/BSR Surcharges, exclusive of revenues from all other rates and charges.

**CAST IRON/BARE STEEL REPLACEMENT RIDER
RIDER CI/BSR**

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, 20~~22~~23, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator / Residential Gas Heat Pump Service	\$ 0.0 2014 <u>3111</u> per therm
Small General Service	\$ 0.0 4207 <u>1816</u> per therm
General Service – 1/ Commercial Standby Generator Service / Commercial Gas Heat Pump Service	\$ 0.0 0736 <u>1236</u> per therm
General Service – 2	\$ 0.0 0708 <u>1183</u> per therm
General Service – 3	\$ 0.0 0724 <u>1171</u> per therm
General Service – 4	\$ 0.0 0574 <u>1166</u> per therm
General Service – 5	\$ 0.00 369 <u>503</u> per therm
Commercial Street Lighting	\$ 0.0 0666 <u>1033</u> per therm
Wholesale	\$ 0.00 509 <u>499</u> per therm
Small Interruptible Service	\$ 0.00 314 <u>574</u> per therm
Interruptible Service	\$ 0.00 072 <u>125</u> per therm
Interruptible Service – Large Volume	\$ 0.00000 per therm

The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

Definitions

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

“CI/BSR Revenues” means the revenues produced through CI/BSR Surcharges, exclusive of revenues from all other rates and charges.

PEOPLES GAS SYSTEM

“EXHIBIT A”

CALCULATION OF THE FINAL AMOUNT FOR 2021 (PAGE 1 OF 3)

***CALCULATION OF THE FINAL TRUE-UP AMOUNT FOR 2021
(PAGE 2 OF 3)***

INTEREST PROVISION FOR 2021 (PAGE 3 OF 3)

Peoples Gas System
Cast Iron / Bare Steel Replacement Rider
Calculation of the Final Amount for the Period
January 2021 to December 2021

Docket No.
 Exhibit A
 Page 1 of 3

Total Return on CI/BS & PPP Capital Investments, Depreciation and Taxes for Eligible Replacements
 (in Dollars)

Line	Description	Beginning of Period Amount	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains (Plastic)		3,501,922	3,900,373	3,717,513	3,065,652	1,373,779	3,524,708	2,053,650.88	2,004,998.98	4,469,595.58	3,727,415.88	3,147,762.46	9,755,211.72	44,242,583
b.	Eligible Replacements - Mains (Steel)		0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0
c.	Eligible Replacements - Services (Plastic)		9,187	8,438	40,648	13,744	11,754	26,070	43,468.36	11,861.11	25,858.31	24,781.32	49,665.67	28,159.39	293,635
d.	Eligible Replacements - Services (Steel)		0	0	0	2,799	0	0	227.71	0.00	0.00	0.00	0.00	0.00	3,026
e.	Eligible Replacements - Regulators		0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0
f.	First \$1,000,000 Adjustment to Rate Base		(1,000,000)	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	(1,000,000)
g.	Clearings to Plant		5,098,557	2,704,513	2,873,384	1,579,205	628,305	1,224,835	1,408,638.39	796,379.13	1,786,459.36	865,769.99	1,592,345.94	10,279,136.82	30,837,527
2.	Gross Plant-in-Service/Depreciation Base	(7,287,591)	(2,189,035)	515,478	3,388,862	4,968,067	5,596,371	6,821,206	8,229,844.81	9,026,224	10,812,683	11,678,453	13,270,799	23,549,936	
3.	Less: Accumulated Depreciation	153,216	162,461	165,093	164,691	160,656	154,972	148,463	140,661.75	131,347	121,173	109,142	96,396	82,003	
4.	CWIP - NonInterest Bearing	4,907,302	2,319,855	3,524,154	4,408,931	5,911,921	6,669,149	8,995,092	9,683,800.12	10,904,281	13,613,276	16,499,703	18,104,785	17,609,019	
5.	Net Book Value (Lines 2 + 3 + 4)	(2,227,074)	293,281	4,204,724	7,962,483	11,040,644	12,420,492	15,964,761	18,054,306.68	20,061,852	24,547,132	28,287,298	31,471,980	41,240,958	
6.	Average Net Book Value		(966,897)	2,249,002	6,083,604	9,501,563	11,730,568	14,192,626	17,009,534	19,058,079	22,304,492	26,417,215	29,879,639	36,356,469	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		(4,888)	11,371	30,759	48,040	59,309	71,758	86,001	96,358	112,771	133,565	151,072	183,818	979,934
b.	Debt component (B)		(1,314)	3,057	8,269	12,914	15,944	19,290	23,119	25,903	30,315	35,905	40,611	49,415	263,428
			(6,202)	14,428	39,028	60,954	75,253	91,048	109,120	122,261	143,086	169,470	191,683	233,233	1,243,362
8.	Investment Expenses														
a.	Depreciation Expense (C)		(9,245)	(2,608)	917	4,693	6,765	7,593	9,211.82	11,087	12,134	14,482	15,633	17,752	88,415
b.	Amortization		0	0	0	0	0	0	0.00	0	0	0	0	0	0
c.	Property Taxes (D)		(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,644)	(127,706)
d.	Depreciation Savings		0	(24)	(515)	(658)	(1,080)	(1,085)	(1,411)	(1,772)	(1,960)	(2,451)	(2,887)	(3,359)	(17,202)
9.	Total Recoverable Costs (Lines 7 + 8)		(26,089)	1,154	28,788	54,346	70,295	86,915	106,279	120,934	142,618	170,859	193,787	236,982	1,186,869
															\$ -

Notes:
 (A) Line 7a = Line 6 x 6.0672% x 1/12. Based on ROE of 9.90%, and weighted income tax rate of 24.522%, Net Operating Income Multiplier of 1.32336.
 (B) Line 7b = Line 6 x 1.6310% x 1/12
 (C) Depreciation rates: 1.6% Mains Plastic, 2.1% Mains Steel, 2.7% Services Plastic, 4.0% Services Steel, 2.7% Regulator Stations
 (D) Ad Valorem Tax Rate is 1.79%

Peoples Gas System
Cast Iron / Bare Steel Replacement Rider
Calculation of the Final True-Up Amount
January 2021 to December 2021
Final True-Up Amount
(in Dollars)

Docket No.
Exhibit A
Page 2 of 3

Line	Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	CIBSR Revenues (net of Revenue Taxes)	626,425	572,545	491,455	479,897	398,065	369,932	359,167	324,013	345,831	338,158	390,219	510,414	5,206,120
2.	True-Up Provision	(335,362)	(335,362)	(335,362)	(335,362)	(335,362)	(335,362)	(335,362)	(335,362)	(335,362)	(335,362)	(335,362)	(335,359)	(4,024,341)
3.	CIBSR Revenues Applicable to Period (Lines 1 + 2)	291,063	237,183	156,093	144,535	62,703	34,570	23,805	(11,349)	10,469	2,796	54,857	175,055	1,181,779
4.	CIBSR Costs													
a.	Return on Investment	(6,202)	14,428	39,028	60,954	75,253	91,048	109,120	122,261	143,086	169,470	191,683	233,233	1,243,362
b.	Depreciation	(9,245)	(2,608)	917	4,693	6,765	7,593	9,212	11,087	12,134	14,482	15,633	17,752	88,415
c.	Property Taxes	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,642)	(10,644)	(127,706)
d.	Depreciation Savings	0	(24)	(515)	(658)	(1,080)	(1,085)	(1,411)	(1,772)	(1,960)	(2,451)	(2,887)	(3,359)	(17,202)
d.	Total CIBSR Costs	(26,089)	1,154	28,788	54,346	70,296	86,915	106,279	120,934	142,618	170,859	193,787	236,982	1,186,869
5.	Over/(Under) Recovery (Line 3 - Line 4d)	317,152	236,029	127,305	90,189	(7,593)	(52,345)	(82,474)	(132,282)	(132,150)	(168,064)	(138,930)	(61,927)	(5,090)
6.	Interest Provision	(383)	(328)	(250)	(215)	(115)	(100)	(104)	(75)	(65)	(67)	(75)	(56)	(1,833)
7.	Beginning Balance True-Up & Interest Provision	(4,581,212)	(3,929,081)	(3,358,018)	(2,895,601)	(2,470,265)	(2,142,611)	(1,859,694)	(1,606,910)	(1,403,905)	(1,200,758)	(1,033,527)	(837,170)	(4,581,212)
8.	True-Up Collected/(Refunded)	335,362	335,362	335,362	335,362	335,362	335,362	335,362	335,362	335,362	335,362	335,362	335,359	4,024,341
9.	End of Period Total True-Up (Lines 5+6+7+8)	(3,929,081)	(3,358,018)	(2,895,601)	(2,470,265)	(2,142,611)	(1,859,694)	(1,606,910)	(1,403,905)	(1,200,758)	(1,033,527)	(837,170)	(563,794)	(563,794)
9.a	Compliance Audit Adj. Refund to Customers	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	Adjusted End of Period Total True Up	(\$3,929,081)	(\$3,358,018)	(\$2,895,601)	(\$2,470,265)	(\$2,142,611)	(\$1,859,694)	(\$1,606,910)	(\$1,403,905)	(\$1,200,758)	(\$1,033,527)	(\$837,170)	(\$563,794)	(\$563,794) \$0.00

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PEOPLES GAS SYSTEM
CAST IRON / BARE STEEL RIDER
EXHIBIT A
PAGE 2 OF 3
FILED: SEPTEMBER 1, 2022

Peoples Gas System
Cast Iron / Bare Steel Replacement Rider
Calculation of the Final True-Up Amount
January 2021 to December 2021
Interest Provision
(in Dollars)

Docket No.
Exhibit A
Page 3 of 3

<u>Line</u>	<u>Description</u>	<u>Actual January</u>	<u>Actual February</u>	<u>Actual March</u>	<u>Actual April</u>	<u>Actual May</u>	<u>Actual June</u>	<u>Actual July</u>	<u>Actual August</u>	<u>Actual September</u>	<u>Actual October</u>	<u>Actual November</u>	<u>Actual December</u>	<u>End of Period Total</u>
1.	Beginning True-Up Amount	(\$4,581,212)	(\$3,929,081)	(\$3,358,018)	(\$2,895,601)	(\$2,470,265)	(\$2,142,611)	(\$1,859,694)	(\$1,606,910)	(\$1,403,905)	(\$1,200,758)	(\$1,033,527)	(\$837,170)	
2.	Ending True-Up Amount Before Interest	(3,928,698)	(3,357,690)	(2,895,351)	(2,470,050)	(2,142,496)	(1,859,594)	(1,606,806)	(1,403,830)	(1,200,693)	(1,033,460)	(837,095)	(563,738)	
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	(8,509,910)	(7,286,771)	(6,253,369)	(5,365,651)	(4,612,761)	(4,002,205)	(3,466,500)	(3,010,740)	(2,604,598)	(2,234,218)	(1,870,622)	(1,400,908)	
4.	Average True-Up Amount (Line 3 x 1/2)	(4,254,955)	(3,643,386)	(3,126,685)	(2,682,826)	(2,306,381)	(2,001,103)	(1,733,250)	(1,505,370)	(1,302,299)	(1,117,109)	(935,311)	(700,454)	
5.	Interest Rate (First Day of Reporting Business Month)	0.10%	0.12%	0.09%	0.11%	0.07%	0.04%	0.08%	0.06%	0.06%	0.07%	0.08%	0.11%	
6.	Interest Rate (First Day of Subsequent Business Month)	0.12%	0.09%	0.11%	0.07%	0.04%	0.08%	0.06%	0.06%	0.07%	0.08%	0.11%	0.08%	
7.	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	0.22%	0.21%	0.20%	0.18%	0.11%	0.12%	0.14%	0.12%	0.13%	0.15%	0.19%	0.19%	
8.	Average Interest Rate (Line 7 x 1/2)	0.110%	0.105%	0.100%	0.090%	0.055%	0.060%	0.070%	0.060%	0.065%	0.075%	0.095%	0.095%	
9.	Monthly Average Interest Rate (Line 8 x 1/12)	0.009%	0.009%	0.008%	0.008%	0.005%	0.005%	0.006%	0.005%	0.005%	0.006%	0.008%	0.008%	
10.	Interest Provision for the Month (Line 4 x Line 9)	(\$383)	(\$328)	(\$250)	(\$215)	(\$115)	(\$100)	(\$104)	(\$75)	(\$65)	(\$67)	(\$75)	(\$56)	(\$1,833)

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PEOPLES GAS SYSTEM
CAST IRON / BARE STEEL RIDER
EXHIBIT A
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FILED: SEPTEMBER 1, 2022

PEOPLES GAS SYSTEM

“EXHIBIT B”

***CALCULATION OF ACTUAL AND REFORECAST AMOUNT FOR 2022
(PAGE 1 OF 4)***

PROJECTED TRUE-UP AMOUNT FOR 2022 (PAGE 2 OF 4)

INTEREST PROVISION FOR 2022 (PAGE 3 OF 4)

***CALCULATION OF DEBT AND EQUITY RETURN FOR 2022
(PAGE 4 OF 4)***

Peoples Gas System
 Cast Iron/Bare Steel Replacement Rider
 Calculation of the Actual and Reforecast Amount (7 + 5 forecast) for the Period
 January 2022 to December 2022
Total Return on C/BS & PPE Capital Investments, Depreciation and Taxes for Eligible Replacements
 (in Dollars)

Docket No.
 Exhibit B
 Page 1 of 4

Line	Description	Beginning of Period Amount	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains (Plastic)		3,025,175	4,094,616	523,978	4,135,162	1,120,948	1,760,249	1,357,972	1,162,240	1,285,028	1,997,967	3,238,675	2,992,054	26,694,064
b.	Eligible Replacements - Mains (Steel)		0	0	0	0	0	0	0	0	0	0	0	0	0
c.	Eligible Replacements - Services (Plastic)		42,693	25,753	182,294	(2,402)	27,680	35,007	31,736	0	0	0	0	0	342,762
d.	Eligible Replacements - Services (Steel)		0	(47,813)	0	0	0	(3,650)	(1,422)	0	0	0	0	0	(52,885)
e.	Eligible Replacements - Regulators		0	0	0	0	0	0	0	0	0	0	0	0	0
f.	First \$1,000,000 Adjustment to Rate Base		(1,000,000)	0	0	0	0	0	0	0	0	0	0	0	(1,000,000)
g.	Clearings to Plant		612,893	1,633,831	676,446	326,591	1,398,900	3,725,234	277,211	6,938,153	5,586,266	5,045,660	5,214,268	4,535,404	35,970,856
2.	Gross Plant-in-Service/Depreciation Base	23,549,936	24,162,829	25,796,659	26,473,105	26,799,696	28,198,597	31,923,830	32,201,041.25	39,139,194	44,725,460	49,771,120	54,985,388	59,520,792.09	
3.	Less: Accumulated Depreciation	82,003	54,312	25,962	(4,385)	(35,736)	(67,475)	(101,054)	(138,467.14)	(175,263)	(220,068)	(271,125)	(327,730)	(390,104.51)	
4.	CWIP - NonInterest Bearing	17,609,019	19,063,995	21,502,721	21,532,547	25,338,716	25,088,444	23,154,817	24,265,890.99	18,489,978	14,188,741	11,141,047	9,165,454	7,622,104.15	
5.	Net Book Value (Lines 2 + 3 + 4)	41,240,958	43,281,136	47,325,342	48,001,268	52,102,677	53,219,566	54,977,593	56,328,465.10	57,453,909	58,694,132	60,641,043	63,823,112	66,752,792	
		\$ 200,687,200													
6.	Average Net Book Value		42,261,047	45,303,239	47,663,305	50,051,972	52,661,121	54,098,580	55,653,029	56,891,187	58,074,021	59,667,588	62,232,077	65,287,952	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		223,529	239,620	252,103	264,737	278,537	286,141	294,362	300,911	307,168	315,597	329,161	345,324	3,437,190
b.	Debt component (B)		49,448	53,009	55,770	58,565	61,618	63,300	65,119	66,567	67,952	69,816	72,817	76,393	760,374
			272,977	292,629	307,873	323,302	340,155	349,441	359,481	367,478	375,120	385,413	401,978	421,717	4,197,564
8.	Investment Expenses														
a.	Depreciation Expense (C)		31,143	31,983	34,037	35,099	35,521	37,367	42,237.57	42,627	51,646	58,909	65,468	72,246	538,284
b.	Amortization		0	0	0	0	0	0	0.00	0	0	0	0	0	0
c.	Property Taxes (D)		35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	423,012
d.	Depreciation Savings		(3,453)	(3,632)	(3,690)	(3,748)	(3,782)	(3,788)	(4,824)	(5,831)	(6,841)	(7,852)	(8,862)	(9,872)	(66,177)
9.	Total Recoverable Costs (Lines 7 + 8)		335,918	356,231	373,471	389,904	407,145	418,272	432,145	439,524	455,176	471,721	493,835	519,342	5,092,683

Notes:
 (A) Line 7a = Line 6 x 6.3471% x 1/12. Based on ROE of 9.90%, and weighted income tax rate of 24.522%, Net Operating Income Multiplier of 1.35087.
 (B) Line 7b = Line 6 x 1.4041% x 1/12
 (C) Depreciation rates: 1.6% Mains Plastic, 2.1% Mains Steel, 2.7% Services Plastic, 4.0% Services Steel, 2.7% Regulator Stations
 (D) Ad Valorem Tax Rate is 1.79%

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PEOPLES GAS SYSTEM
 CAST IRON / BARE STEEL RIDER
 EXHIBIT B
 PAGE 1 OF 4
 FILED: SEPTEMBER 1, 2022

Peoples Gas System
Cast Iron/Bare Steel Replacement Rider
Calculation of the Actual and Reforecast Amount (7 + 5 forecast) for the Period
January 2022 to December 2022
Current Period Actual / Reforecast True-Up Amount

Docket No.
 Exhibit B
 Page 2 of 4

Line	Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	End of Period Total
1.	CIBSR Revenues (net of Revenue Taxes)	540,659	583,637	500,541	449,475	416,421	361,835	331,705	350,721	362,898	360,445	403,768	528,092	5,190,196
2.	True-Up Provision	(28,739)	(28,739)	(28,739)	(28,739)	(28,739)	(28,739)	(28,739)	(28,739)	(28,739)	(28,739)	(28,739)	(28,741)	(344,870)
3.	CIBSR Revenues Applicable to Period (Lines 1 + 2)	511,920	554,898	471,802	420,736	387,682	333,096	302,966	321,982	334,159	331,706	375,029	499,351	4,845,326
4.	CIBSR Costs													
a.	Return on Investment	272,977	292,629	307,873	323,302	340,155	349,441	359,481	367,478	375,120	385,413	401,978	421,717	4,197,564
b.	Depreciation	31,143	31,983	34,037	35,099	35,521	37,367	42,238	42,627	51,646	58,909	65,468	72,246	538,284
c.	Property Taxes	35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	35,251	423,012
d.	Depreciation Savings	(3,453)	(3,632)	(3,690)	(3,748)	(3,782)	(3,788)	(4,824)	(5,831)	(6,841)	(7,852)	(8,862)	(9,872)	(66,177)
d.	Total CIBSR Costs	335,918	356,231	373,471	389,904	407,145	418,271	432,145	439,525	455,176	471,721	493,835	519,342	5,092,683
5.	Over/(Under) Recovery (Line 3 - Line 4d)	176,002	198,667	98,331	30,832	(19,463)	(85,175)	(129,179)	(117,542)	(121,017)	(140,015)	(118,805)	(19,991)	(247,355)
6.	Interest Provision	(42)	(39)	(20)	13	46	220	438	318	(137)	(615)	(817)	(1,175)	(1,810)
7.	Beginning Balance True-Up & Interest Provision	(563,794)	(359,095)	(131,728)	(4,678)	54,906	64,228	303,348	203,346	114,861	(251,762)	(363,653)	(454,536)	(563,794)
8.	True-Up Collected/(Refunded)	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,741	344,870
9.	End of Period Total True-Up (Lines 5+6+7+8)	(359,095)	(131,728)	(4,678)	54,906	64,228	8,012	203,346	114,861	22,446	(363,653)	(454,536)	(446,961)	(468,089)
9.a	Adjustment	0	0	0	0	0	295,336	0	0	(274,208)	0	0	(274,208)	(253,079)
10.	Adjusted End of Period Total True Up	(\$359,095)	(\$131,728)	(\$4,678)	\$54,906	\$64,228	\$303,348	\$203,346	\$114,861	(\$251,762)	(\$363,653)	(\$454,536)	(\$721,168)	(\$721,168)

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PEOPLES GAS SYSTEM
CAST IRON / BARE STEEL RIDER
EXHIBIT B
PAGE 2 OF 4
FILED: SEPTEMBER 1, 2022

Peoples Gas System
Cast Iron/Bare Steel Replacement Rider
Calculation of the Actual and Reforecast Amount (7 + 5 forecast) for the Period
January 2022 to December 2022
Interest Provision
(in Dollars)

Docket No.
Exhibit B
Page 3 of 4

<u>Line</u>	<u>Description</u>	<u>Actual January</u>	<u>Actual February</u>	<u>Actual March</u>	<u>Actual April</u>	<u>Actual May</u>	<u>Actual June</u>	<u>Actual July</u>	<u>Forecast August</u>	<u>Forecast September</u>	<u>Forecast October</u>	<u>Forecast November</u>	<u>Forecast December</u>	<u>End of Period Total</u>
1.	Beginning True-Up Amount	(\$563,794)	(\$359,095)	(\$131,728)	(\$4,678)	\$54,906	\$64,228	\$303,348	\$203,346	\$114,861	(\$251,762)	(\$363,653)	(\$454,536)	
2.	Ending True-Up Amount Before Interest	<u>(359,053)</u>	<u>(131,689)</u>	<u>(4,658)</u>	<u>54,893</u>	<u>64,182</u>	<u>303,128</u>	<u>202,908</u>	<u>114,543</u>	<u>(251,625)</u>	<u>(363,038)</u>	<u>(453,719)</u>	<u>(719,993)</u>	
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	<u>(922,847)</u>	<u>(490,784)</u>	<u>(136,386)</u>	<u>50,215</u>	<u>119,088</u>	<u>367,356</u>	<u>506,256</u>	<u>317,889</u>	<u>(136,764)</u>	<u>(614,799)</u>	<u>(817,371)</u>	<u>(1,174,529)</u>	
4.	Average True-Up Amount (Line 3 x 1/2)	(461,424)	(245,392)	(68,193)	25,108	59,544	183,678	253,128	158,945	(68,382)	(307,400)	(408,686)	(587,265)	
5.	Interest Rate (First Day of Reporting Business Month)	0.08%	0.14%	0.24%	0.49%	0.76%	1.12%	1.76%	2.40%	2.40%	2.40%	2.40%	2.40%	
6.	Interest Rate (First Day of Subsequent Business Month)	0.14%	0.24%	0.49%	0.76%	1.12%	1.76%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	
7.	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	0.22%	0.38%	0.73%	1.25%	1.88%	2.88%	4.16%	4.80%	4.80%	4.80%	4.80%	4.80%	
8.	Average Interest Rate (Line 7 x 1/2)	0.110%	0.190%	0.365%	0.625%	0.940%	1.440%	2.080%	2.400%	2.400%	2.400%	2.400%	2.400%	
9.	Monthly Average Interest Rate (Line 8 x 1/12)	<u>0.009%</u>	<u>0.016%</u>	<u>0.030%</u>	<u>0.052%</u>	<u>0.078%</u>	<u>0.120%</u>	<u>0.173%</u>	<u>0.200%</u>	<u>0.200%</u>	<u>0.200%</u>	<u>0.200%</u>	<u>0.200%</u>	
10.	Interest Provision for the Month (Line 4 x Line 9)	<u>(\$42)</u>	<u>(\$39)</u>	<u>(\$20)</u>	<u>\$13</u>	<u>\$46</u>	<u>\$220</u>	<u>\$438</u>	<u>\$318</u>	<u>(\$137)</u>	<u>(\$615)</u>	<u>(\$817)</u>	<u>(\$1,175)</u>	<u>(\$1,810)</u>

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PEOPLES GAS SYSTEM
CAST IRON / BARE STEEL RIDER
EXHIBIT B
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FILED: SEPTEMBER 1, 2022

Peoples Gas System
Cast Iron/Bare Steel Replacement Rider
Calculation of Debt and Equity Return
January 2022 through December 2022
 Dec 2020 Cap Structure with Update to ROE in the Calculation to 9.90%

Docket No.
 Exhibit B
 Page 4 of 4

Calculation of Revenue Requirement Rate of Return
 (In Dollars)

	(1)	(2)	(3)	(4)	
	Rate Base ESR (\$000)	Ratio %	Cost Rate %	Weighted Cost Rate %	
Long Term Debt	\$ 276,505		26.30%	4.69%	1.2335%
Short Term Debt	107,857		10.26%	1.16%	0.1190%
Preferred Stock	0		0.00%	0.00%	0.0000%
Residential Customer Deposits	0		0.00%	0.00%	0.0000%
Commercial Customer Deposits	21,938		2.08%	2.48%	0.0516%
Inactive Customer Deposits	0		0.00%	0.00%	0.0000%
Common Equity	499,021		47.46%	9.90%	4.6985%
Deferred Income Tax	146,145		13.90%	0.00%	0.0000%
Tax Credits - Zero Cost	0		0.00%	0.00%	0.0000%
Total	\$ 1,051,466		100%		6.1026%
ITC split between Debt and Equity:					
Long Term Debt	\$ 276,505		Long Term Debt		35.65%
Equity - Preferred	0		Equity - Preferred		0.00%
Equity - Common	499,021		Equity - Common		64.35%
Total	\$ 775,526		Total		100.00%
Deferred ITC - Weighted Cost:					
Debt = 0.0% * 35.65%		0.0000%			
Equity = 0.0% * 64.35%		0.0000%			
		Weighted Cost		0.0000%	
Total Equity Cost Rate:					
Preferred Stock		0.0000%			
Common Equity		4.6985%			
Deferred ITC - Weighted Cost		0.0000%			
		4.6985%			
Times Tax Multiplier		1.35087			
		Total Equity Component		6.3471%	
Total Debt Cost Rate:					
Long Term Debt		1.2335%			
Short Term Debt		0.1190%			
Customer Deposits		0.0516%			
Deferred ITC - Weighted Cost		0.0000%			
		Total Debt Component		1.4041%	

PEOPLES GAS SYSTEM

“EXHIBIT C”

***CALCULATION OF THE PROJECTED AMOUNT FOR 2023
(PAGE 1 OF 2)***

***CALCULATION OF DEBT AND EQUITY RETURN FOR 2023
(PAGE 2 OF 2)***

Peoples Gas System
 Cast Iron/Bare Steel Replacement Rider
 Calculation of the TOTAL CI/BS + PPP Projected Amount for the Period
 January 2023 to December 2023
 Return on Capital Investments, Depreciation and Taxes for Eligible Replacements
 (in Dollars)

Docket No.
 Exhibit C
 Page 1 of 2

Line	Description	Beginning of Period Amount (E)	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains		\$ 2,870,417	\$ 2,870,417	\$ 2,740,880	\$ 2,481,808	\$ 2,219,055	\$ 2,219,055	\$ 2,219,055	\$ 1,847,757	\$ 1,587,340	\$ 1,587,340	\$ 1,587,340	\$ 1,587,340	\$ 25,817,804
b.	Eligible Replacements - Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	First \$1,000,000 Adjustment to Rate Base		\$ (894,468.00)	\$ (105,532.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)
e.	Clearings to Plant		\$ 3,387,488	\$ 3,626,305	\$ 3,392,946	\$ 3,035,626	\$ 2,700,107	\$ 2,579,844	\$ 2,489,646	\$ 2,143,525	\$ 1,874,270	\$ 1,802,538	\$ 1,748,738	\$ 1,708,389	\$ 30,489,422
2.	Gross Plant-in-Service/Depreciation Base	\$ 59,520,792.09	\$ 62,908,280	\$ 66,534,585	\$ 69,927,531	\$ 72,963,157	\$ 75,663,264	\$ 78,243,107	\$ 80,732,754	\$ 82,876,279	\$ 84,750,549	\$ 86,553,087	\$ 88,301,825	\$ 90,010,214	
3.	Less: Accumulated Depreciation	\$ (390,104.51)	\$ (457,826)	\$ (529,471)	\$ (605,350)	\$ (685,159)	\$ (768,433)	\$ (854,737)	\$ (943,914)	\$ (1,035,847)	\$ (1,130,086)	\$ (1,226,281)	\$ (1,324,339)	\$ (1,424,189)	
4.	CWIP - NonInterest Bearing	\$ 7,622,104.15	\$ 6,210,565	\$ 5,349,145	\$ 4,697,079	\$ 4,143,261	\$ 3,662,210	\$ 3,301,421	\$ 3,030,829	\$ 2,735,061	\$ 2,448,131	\$ 2,232,933	\$ 2,071,535	\$ 1,950,486	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 66,752,791.73	\$ 68,661,019	\$ 71,354,259	\$ 74,019,260	\$ 76,421,260	\$ 78,557,040	\$ 80,689,791	\$ 82,819,669	\$ 84,575,493	\$ 86,068,594	\$ 87,559,739	\$ 89,049,022	\$ 90,536,511	
6.	Average Net Book Value		\$ 67,706,905	\$ 70,007,639	\$ 72,686,760	\$ 75,220,260	\$ 77,489,150	\$ 79,623,416	\$ 81,754,730	\$ 83,697,581	\$ 85,322,044	\$ 86,814,167	\$ 88,304,380	\$ 89,792,766	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 345,745	\$ 357,494	\$ 371,175	\$ 384,112	\$ 395,698	\$ 406,597	\$ 417,481	\$ 427,402	\$ 435,697	\$ 443,316	\$ 450,926	\$ 458,527	\$ 4,894,170
b.	Debt component (B)		\$ 73,982	\$ 76,495	\$ 79,422	\$ 82,191	\$ 84,670	\$ 87,001	\$ 89,331	\$ 91,453	\$ 93,228	\$ 94,859	\$ 96,488	\$ 98,114	\$ 1,047,234
			\$ 419,727	\$ 433,989	\$ 450,597	\$ 466,303	\$ 480,368	\$ 493,598	\$ 506,812	\$ 518,855	\$ 528,925	\$ 538,175	\$ 547,414	\$ 556,641	\$ 5,941,404
8.	Investment Expenses														
a.	Depreciation (C)		\$ 78,143	\$ 82,546	\$ 87,260	\$ 91,671	\$ 95,618	\$ 99,128	\$ 102,482	\$ 105,718	\$ 108,505	\$ 110,941	\$ 113,285	\$ 115,558	\$ 1,190,854
b.	Amortization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)		\$ 88,203	\$ 88,203	\$ 88,203	\$ 88,203	\$ 88,203	\$ 88,203	\$ 88,203	\$ 88,203	\$ 88,203	\$ 88,203	\$ 88,203	\$ 88,203	\$ 1,058,439
d.	Depreciation Savings		\$ (10,421)	\$ (10,901)	\$ (11,382)	\$ (11,863)	\$ (12,343)	\$ (12,824)	\$ (13,304)	\$ (13,785)	\$ (14,266)	\$ (14,746)	\$ (15,227)	\$ (15,708)	\$ (156,769)
9.	Revenue Requirements (Lines 7 + 8)		\$ 575,652	\$ 593,837	\$ 614,679	\$ 634,314	\$ 651,845	\$ 668,105	\$ 684,192	\$ 698,991	\$ 711,367	\$ 722,572	\$ 733,675	\$ 744,697	\$ 8,033,927
10.	Est projected 2022 true-up over/(under)		\$ (721,168)												
11.	Revenue Requirements Net of Est Projected Recovery		\$ 1,296,820	\$ 1,890,657	\$ 2,505,336	\$ 3,139,650	\$ 3,791,495	\$ 4,459,600	\$ 5,143,792	\$ 5,842,783	\$ 6,554,150	\$ 7,276,722	\$ 8,010,397	\$ 8,755,094	

Notes:
 (A) Line 7a = Line 6 x 6.1278% x 1/12. Based on ROE of 9.90%, and weighted income tax rate of 24.522%, Net Operating Income Multiplier of 1.35087.
 (B) Line 7b = Line 6 x 1.3112% x 1/12
 (C) Depreciation rates: 1.6% Mains Plastic, 2.1% Mains Steel, 2.7% Services Plastic, 4.0% Services Steel; 2.7% Regulator Station
 (D) Ad Valorem Tax Rate is 1.79%

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**PEOPLES GAS SYSTEM
CAST IRON / BARE STEEL RIDER
EXHIBIT C
PAGE 2 OF 2
FILED: SEPTEMBER 1, 2022**

Peoples Gas System
Cast Iron/Bare Steel Replacement Rider
Calculation of Debt and Equity Return
January 2023 through December 2023
Dec 2021 Cap Structure with Update to ROE in the Calculation to 9.90%

Docket No.
Exhibit C
Page 2 of 2

Calculation of Revenue Requirement Rate of Return
(In Dollars)

	(1)	(2)	(3)	(4)
	Rate Base ESR (\$000)	Ratio %	Cost Rate %	Weighted Cost Rate %
Long Term Debt	\$ 446,206	29.98%	4.07%	1.2202%
Short Term Debt	118,492	7.96%	0.62%	0.0494%
Preferred Stock	0	0.00%	0.00%	0.0000%
Residential Customer Deposits	0	0.00%	0.00%	0.0000%
Commercial Customer Deposits	24,832	1.67%	2.49%	0.0416%
Inactive Customer Deposits	0	0.00%	0.00%	0.0000%
Common Equity	681,876	45.82%	9.90%	4.5362%
Deferred Income Tax	216,724	14.56%	0.00%	0.0000%
Tax Credits - Zero Cost	0	0.00%	0.00%	0.0000%
Total	\$ 1,488,130	100%		5.8474%
ITC split between Debt and Equity:				
Long Term Debt	\$ 446,206		Long Term Debt	39.55%
Equity - Preferred	0		Equity - Preferred	0.00%
Equity - Common	681,876		Equity - Common	60.45%
Total	\$ 1,128,082		Total	100.00%
Deferred ITC - Weighted Cost:				
Debt = 0.0% * 39.55%	0.0000%			
Equity = 0.0% * 60.45%	0.0000%			
Weighted Cost	0.0000%			
Total Equity Cost Rate:				
Preferred Stock	0.0000%			
Common Equity	4.5362%			
Deferred ITC - Weighted Cost	0.0000%			
	4.5362%			
Times Tax Multiplier	1.35087			
Total Equity Component	6.1278%			
Total Debt Cost Rate:				
Long Term Debt	1.2202%			
Short Term Debt	0.0494%			
Customer Deposits	0.0416%			
Deferred ITC - Weighted Cost	0.0000%			
Total Debt Component	1.3112%			

PEOPLES GAS SYSTEM

“EXHIBIT D”

***SURCHARGE CALCULATION FOR 2023 (PAGE 1 OF 1)
INCLUDING INTERRUPTIBLE CLASSES***

**Peoples Gas System
Cast Iron/Bare Steel Replacement Rider
Summary of CI/BSR Surcharge Calculation
January 2023 Through December 2023**

Docket No.
Exhibit D
Page 1 of 1

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$133,714,560	\$208,900,466	\$342,615,026	32.45%	\$2,840,709	91,316,141	\$0.03111
SGS	13,072,491	8,999,737	22,072,229	2.09%	\$183,006	10,078,017	\$0.01816
GS-1 & CS-SG	120,388,376	19,046,809	139,435,186	13.20%	\$1,156,093	93,559,724	\$0.01236
GS-2	194,486,832	8,085,123	202,571,956	19.18%	\$1,679,576	142,017,031	\$0.01183
GS-3	114,717,123	1,400,040	116,117,164	11.00%	\$962,757	82,230,171	\$0.01171
GS-4	82,690,786	320,790	83,011,576	7.86%	\$688,270	59,034,924	\$0.01166
GS-5	95,840,847	401,716	96,242,563	9.11%	\$797,972	158,624,455	\$0.00503
CSLS	638,644	0	638,644	0.06%	\$5,295	512,405	\$0.01033
WHS	2,529,027	24,823	2,553,850	0.24%	\$21,175	4,246,562	\$0.00499
SIS	28,996,509	1,035,507	30,032,016	2.84%	\$249,003	43,385,890	\$0.00574
IS	20,299,251	351,422	20,650,673	1.96%	\$171,220	137,456,352	\$0.00125
ISLV	0	2,203	2,203	0.00%	\$18	0	\$0.00000
TOTAL	\$807,374,448	\$248,568,636	\$1,055,943,085	100%	\$8,755,094	822,461,673	

* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

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PEOPLES GAS SYSTEM
 CAST IRON / BARE STEEL RIDER
 EXHIBIT D
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 FILED: SEPTEMBER 1, 2022